

News

FOR IMMEDIATE RELEASE

FREE ENERGY ANNOUNCES PRIVATE PLACEMENT OFFERING & DEBT SETTLEMENT

Vancouver, B.C. – February 2, 2016 – Free Energy International Inc. (“Free Energy” and/or the “Company”) (TSXV: “FEE”) is pleased to announce that it has filed application with the TSX Venture Exchange (the “Exchange”) to complete the first tranche (the “First Tranche”) of a non-brokered private placement announced September 30, 2014 and amended November 25, 2015, for up to 15,000,000 units (the “Units”) of the Company at a price of \$0.035 per Unit, for maximum proceeds of \$525,000 (the “Offering”). Each Unit is comprised of one common share in the capital of the Company (a “Share”) and one Share purchase warrant of the Company (a “Warrant”). Each Warrant will entitle the holder to purchase an additional Share in the capital of the Company (a “Warrant Share”) for a period of 36 months from the closing date at an exercise price of \$0.05 per Warrant Share.

The First Tranche consisted of 3,375,000 Units purchased at \$0.035 per Unit for gross proceeds of \$217,875. In connection with closing the First Tranche, the Company paid a cash finder’s fee of \$420 to Wolverton Securities Ltd. The securities issued under the First Tranche are also subject to a four-month and a day hold period from the date of issuance.

The Company intends to rely, in part, on the new prospectus exemption available under BC Instrument 45-534. The Offering will be open to the Company’s existing shareholders as at February 2, 2016. Shareholders resident in Ontario, Newfoundland and Labrador, and countries other than Canada will need to meet local jurisdiction requirements to participate. A subscribing shareholder purchasing additional shares under the Offering will be required to represent in writing that they were, on or before the record date and at the date of subscription, a shareholder of the Company. Shareholders relying on this exemption will be subject to a maximum aggregate acquisition cost of \$15,000, unless the shareholder obtains advice regarding the suitability of its investment from a registered investment dealer in its residential jurisdiction. There is no minimum of gross proceeds with respect to the Offering. If subscriptions received exceed the maximum Offering, shares will be allocated pro rata amongst all subscribers. In completing the Offering, the Company will utilize other available prospectus exemptions in addition to the new existing shareholder exemption.

Debt Settlement

The Company today announces its intent to complete a share-for-debt agreement to settle indebtedness of up to \$170,125 by the issuance of 3,402,500 Shares of the Company at a deemed price of \$0.05 per Share (the “Debt Settlement”). The Debt Settlement and issuance of Shares will not create a New Control Person as defined in the TSX Exchange Policies and Procedures.

The issuance of Shares for the Debt Settlement is subject to a number of conditions including approval of the TSX Venture Exchange.

Management Changes

The Company is pleased to announce the results of its Annual General Meeting held on December 17, 2015. Messrs. Dean Bethune, Scott Hamilton and Michael Ellis were re-elected to the Board of Directors. They are joined by Robert Solinger, John Newman and Grant Kemp who were elected to the Board of Directors.

At the post-AGM director's meeting, Mr. Bethune was appointed Chief Executive Officer and President of the Company, and re-appointed Chairman of the Board, and Mr. Scott Hamilton was appointed Chief Financial Officer. Mr. Solinger, Mr. Newman, Mr. Ellis and Mr. Kemp will sit as independent directors. Messrs. Solinger and Newman will sit on the Audit Committee with Mr. Bethune.

In conjunction with the appointment of new directors and pursuant to the terms and conditions of its Stock Option Plan, the Company has granted an aggregate of 1,450,000 incentive stock options to purchase common shares of the Company (the "Options") to officers, directors and consultants of the Company. The Options are exercisable over a five year period at an exercise price of \$0.05 per share with all Options vesting immediately.

About Darelle Media Inc.

darelle.com is a cause-driven online marketplace designed to bring consumers, businesses and charities together to provide opportunities to buy and sell, while benefiting the community with each transaction.

Additional information on Darelle Media Inc. can be found at www.darelle.com

About Free Energy International Inc.

Free Energy International Inc. is a British Columbia corporation with its head office in Vancouver, British Columbia. The Company is listed on the TSX Venture Exchange as a Tier 2 Technology Issuer. The Company has a total of 51,199,990 common shares issued and outstanding.

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Certain statements in this release are forward-looking statements, including with respect to the Company's proposed use of proceeds raised from the above-described Offering. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits the Company will obtain from them. In particular, there may be circumstances where for sound business reasons, a reallocation of funds may be necessary. These forward-looking statements reflect management's current views and are based on certain expectations, estimates and assumptions which may prove to be incorrect. A number of risks and uncertainties could cause our actual results to differ materially from those expressed or implied by the forward-looking statements, as well as other factors beyond the Company's control. These forward-looking statements are made as of the date of this news release.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.